

This letter reviews sales and use tax information in a mining publication. (This is a GIL.)

February 23, 2001

Dear Xxxxx:

This letter is in response to your letter dated January 4, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

The information for which you request verification reads as follows:

Sales and Use Taxes

Illinois imposes a sales and use tax of 6.25% on the sale or use of tangible personal property. Some cities and counties add an additional amount at local option. Coal exploration, mining, off-highway hauling, processing, maintenance and reclamation equipment and including replacement parts and equipment and including equipment purchased for lease, but excluding motor vehicles are exempt from sales and use tax. Also exempt are coal gasification and low sulfur dioxide emission coal fueled machinery and equipment. Manufacturing machinery and equipment used primarily (over 50% of the time) in the manufacturing or assembling of personal property for wholesale, retail sale or lease are exempt from sales and use tax. Businesses operating in "enterprise zones" (high unemployment areas) may also qualify for expanded sales tax exemptions for manufacturing machinery and equipment or pollution control facilities, if the materials are utilized by certain businesses certified by the Department of Commerce and Community Affairs.

I have reviewed the above paragraph and find that it is correct based upon current law. Please see the enclosed regulations for details, limitations, and requirements applicable to the exemptions that your summary only very generally describes. See 86 Ill. Adm. Code 130.350, 130.330, 130.335, 130.1951 and 130.1952.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis

Associate Counsel

MAJ:msk
Enc.